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The Honorable Sherman Adams
Assistant to the President
The White House
Washington 25, D. C.

Dear Sherm:

This is in response to your telephone call of 10 September 1957 concerning the estimated obligations of the Central Intelligence Agency during Fiscal Years 1958 and 1959.

The Congress appropriate Was set a	plemental counds of proper or each with- at this time to irawals from the anticipate ons.	
estimated cost of our regular operations from	to	25X
thereby effecting a saving of \$2,000,000.		
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With regard to Fiscal Year 1959, we estimate at this time that we will require approximately the same amount of money (for our regular operations as we planned for Fiscal Year 1958. The total amount of new obligational authority requested, however, will be

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affected by the status of our Contingency Reserve at the time we submit our Fiscal Year 1959 budget to the Congress. We believe that this Reserve should be maintained at approximately and in prior years we have arranged with the Congress to carry forward the unobligated balances to the next fiscal year, not to exceed the total of I hope that withdrawals from our Contingency Reserve may be held to a minimum during Fiscal Year 1958, and if I am successful in doing this my request for new obligational authority for Fiscal Year 1959 will be considerably lower than the request for Fiscal Year 1958.

At this time we do not contemplate any legislation that involves appropriations or expenditures for other than our normal budgetary requirements.

You may be assured that we are attempting to economize wherever possible consistent with the successful accomplishment of our mission.

Sincerely,

Allen W. Dulles
Director

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Distribution:

cyl of 5 - Add

2 of 5 - ER

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CONCUR:

/s/ LKWhite DD/S 11 Sept

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11 Sep 57

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CENTRAL INTELLIGENCE AGENCY

WASHINGTON 25, D. C.

OFFICE OF THE DIRECTOR

The Honorable Sherman Adams Assistant to the President The White House Washington 25, D. C.

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thereby effect-

The Congress appropriated 1 to this Agency for Fiscal Year				
1958. Of this amount was set aside in our Contingency Reserve,				
raising the total to (the agreed-upon level), leaving				
for regular operations. As you know, the purpose of our Contingency Reserve				
is to enable us to finance programs of an emergency nature which are not fore-				
seen at the time of the budget submission. This avoids the necessity of re-				
questing supplemental appropriations which usually we could not do within the				
bounds of proper security. We, of course, justify and receive approval for				
each withdrawal from the Bureau of the Budget. I cannot foresee at this time to				
what extent it might be necessary for us to request withdrawals from the Re-				
serve during Fiscal Year 1958, but in any case I do not anticipate that we would				
need to request any additional appropriations.				
In compliance with the President's desire to effect reductions in expen-				
ditures during Fiscal Year 1958, we are planning to reduce the estimated cost				

With regard to Fiscal Year 1959, we estimate at this time that we will require approximately the same amount of money for our regular operations as we planned for Fiscal Year 1958. The total amount of new

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I
f Sincerely,
I
Allen W. Dulles
*
Director

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TOP SECRET

MEMORANDUM FOR: Mr. Dulles

In accordance with your request I have prepared the attached proposed letter to Governor Adams concerning our Budgets for Fiscal Years 1958 and 1959. Recommend signature.

I suggest that we insure that the letter is delivered to Governor Adams personally, and if we can do so arrange to have it returned to us when it has served its purpose.

L. K. White

12 Sep 57 .(DATE)

FORM NO. 101 REPLACES FORM (0) POISECRET

(47)

MEMORANDUM FOR:	
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dated 13 Sept (DATE)	
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